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CHAMBER OF COMMERCE NEWS

Senate Oks Bond's Bi-partisan Budget Amendment to Boost Federal Highway Spending

On Friday, March 21st, the United States Senate adopted a bi-partisan amendment authored by Senator Kit Bond to boost federal highway and mass transit spending by approximately \$10 billion per year for the next six years.

The amendment means that the Senate's budget blueprint for the next fiscal year, which begins October 1, 2003, now has room to spend up to \$255 billion for federal highways and \$56.5 billion for mass transit over the next six years. That is a 28.9 percent increase over the Senate Budget Committee's report. Budget resolutions such as this one never become law, but they do provide other Senate Committees with spending limits. That includes the Senate Environment and Public Works Transportation Subcommittee (EPW), which Bond chairs and is responsible for the reauthorization of the current federal highway bill (TEA-21).

Joining Bond on this amendment were Senators Harry Reid (D-NV), ranking member of the Transportation Subcommittee and Jim Inhofe (R-OK), Chairman of the full EPW Committee and Jim Jeffords, ranking Democrat on EPW. Also joining Bond were Senators Rick Shelby (R-AL) and Patty Murray (D-WA), chairman and ranking member of the Transportation Appropriations Subcommittee. Shelby is also chairman of the Senate Banking Committee, which has jurisdiction over Mass Transit. The ranking Democrat on the full Appropriations Committee, Robert Byrd (D-WV) also supported the amendment from its inception.

"Higher federal highway spending provides an immediate and long-term boost to the economy and that means good-paying jobs," said Bond, who along with Inhofe, will rewrite the six year, federal highway bill this year. "This is the best kind of economic stimulus."

A boost in federal highway spending is acutely needed in Missouri. Commercial truck traffic in Missouri is expected to increase 89% by the year 2020; St. Louis and Kansas City spend over a billion dollars each year on costs associated with traf-

fic congestion; fatalities on Missouri highways are considerably higher than the national average; nearly seven thousand people were killed between 1995 to 2000 on our highways.

Bond Welcomes President Bush to St. Louis – Joins Him in Thanking Boeing War Workers

Bond Backs Bush Call to Spur Economic and Job Growth

In March, Senator Kit Bond welcomed President George W. Bush to St. Louis and backed his call for an economic growth package to get the economy moving again.

Bond introduced the President to a crowd of workers at Boeing in St. Louis, home of the as-

sembly lines for the U.S. Air Force's F-15 Eagle and the U.S. Navy's F/A-18E/F Super Hornet.

"Our commander-in-chief and our troops could be strong overseas because of the excellent work done right here in St. Louis," said Bond, a member of the Senate Intelligence Committee. "The seeds of our victory were planted right here."

Bond seconded the President's call for an economic growth package that leads to the employment of every American willing and able to work.

"We need to create a tax code that rewards hard work, risk-taking and entrepreneurship," said Bond, also a member of the Senate Small Business Committee. "The American economy is not growing as fast as it should and we must redouble our efforts to create the conditions for more growth," said Bond.

Bond said tax cuts were necessary to help the economy recover from the twin blows of the 9-11-



Bond Thanks Boeing Workers for War Effort

01 terrorist attacks and the recession that followed. "Our economy got hammered and needs some stimulus to get rolling again. I am confident the President and Congress can agree on a final tax cut number that balances the need for growth against all appropriate restraints in spending."

Bond Provides Update on Progress of Federal Highway Bill

Senator Kit Bond spoke on April 7th on the progress of the reauthorization of the federal highway bill. While addressing the Associated General Contractors of Missouri, Bond was awarded with a Leadership Award for his work at improving air, rail, water, road and bridge transportation systems in Missouri and across the United States.

"Anyone who has driven on Missouri's highways knows we can – and must – do better," said Bond, who is chairman of the Subcommittee on Transportation, Infrastructure and Nuclear Safety. "While there are no easy answers, I hope we can improve Missouri's position in the highway bill. To do that, it is vital that Missourians of all stripes – Democrat, Republican, rural and urban – pull together." Bond cautioned that the reauthorization directs national, not local transportation priorities, and that any bill must win wide Senate approval, a task not easily accomplished.

Bond noted his recent success when, last week, the Senate adopted, by a vote of 79-21, a bipartisan amendment authored by Bond to boost federal highway and mass transit spending by approximately \$10 billion per year for the next six years. This action means that the Senate's budget blueprint for the next fiscal year, which begins October 1, 2003, now has room to spend up to \$255 billion for federal highways and \$56.5 billion for mass transit over the next six years. That is a 28.9 percent increase over the Senate Budget Committee's report which included only \$206 billion for federal highways and \$44 billion for mass transit.

Budget resolutions such as this one never become law, but they do provide other Senate Committees with spending limits. That includes the Senate Environment and Public Works Transportation Subcommittee.

Located in the geographic center of the nation, Missouri is home to the country's sixth largest highway network. Unfortunately, the condition of Missouri's roads and highways has lagged far behind their increased use. In fact, in many parts of the state, poor roadway conditions have led to high accident and fatality rates.

Bond vowed to work closely with President Bush, Transportation Secretary Norm Mineta, his Senate colleagues and state and local officials

from around the country to draft a reauthorization bill that meets the nation's needs.

For further information on the reauthorization of the highway bill, please visit <http://www.fhwa.dot.gov/reauthorization/index.htm>.

Bond Says Stimulus Bill Means More Jobs and Economic Growth

Senator Kit Bond hailed the final passage of the Jobs and Growth Tax Relief bill as good news for Missouri families and small businesses. The bill was signed into law by the President in late May.

"The central economic problem is a business slowdown, with not enough jobs being created," said Bond. "I expect that this tax stimulus will benefit all taxpayers, but small business owners will be the primary beneficiaries. That is good news because most of the new jobs we create come from small business growth and this tax relief should directly stimulate small businesses to hire more people and purchase more equipment."

As Bond commented on, some of the most stimulative provisions in the bill are directed at the small business community. Currently, small businesses create more than 2/3 of net new jobs. If small businesses are able to retain more capital through income tax relief and spend that extra money on expanding business and hiring more workers, creating tremendous job growth.

The income tax rate reductions provides exactly this kind of relief for small businesses, as over 80% of small businesses pay taxes in the highest bracket. Once this bill becomes law, businesses can begin to plan for future growth and development by estimating the taxes they will save from this stimulus package.

Even though this tax bill is one of the largest passed in history, Bond stressed that even more needed tax relief is needed – specifically the permanent extension of Section 179 small business equipment expensing to \$100,000, so that small businesses can rely on that relief in the future. In addition, Bond is advocated to increase the amount of venture capital available to small businesses. He thinks this should occur by changing the code to permit tax-exempt organizations to invest in SBICs without the burdens of unrelated business taxable income (UBTI) record-keeping or tax liability. Most tax-exempt organizations will not invest in SBICs because of UBTI liability, thereby preventing greater access to an important source of capital for small enterprises.



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